

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Taymouth Township	County Saginaw
Fiscal Year End June 30, 2006	Opinion Date December 18, 2006	Date Audit Report Submitted to State May 30, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

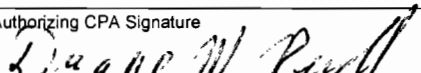
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	No comments that were required to be communicated in written form.	
Other (Describe)	<input type="checkbox"/>	None	
Certified Public Accountant (Firm Name) Andrews Hooper & Pavlik P.L.C.		Telephone Number (989) 497-5300	
Street Address 5300 Gratiot		City Saginaw	State MI
		Zip 48638	
Authorizing CPA Signature 		Printed Name Duane M. Reyhl	License Number 1101013394

Taymouth Township
Saginaw County, Michigan

Audited Financial Statements

Year ended June 30, 2006

Township Officials

Supervisor	Douglas James
Clerk	Gail Basner
Treasurer	Carole Konesko
Trustee	Larry Smith
Trustee	Aaron Dodak

Taymouth Township
Saginaw County, Michigan
Audited Financial Statements
Year ended June 30, 2006

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Report of Independent Auditors

To the Township Board
Taymouth Township
Saginaw County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Taymouth Township, Saginaw County, Michigan (Township), as of and for the year ended June 30, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Taymouth Township, Saginaw County, Michigan, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Taymouth Township, Saginaw County, Michigan. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Andrews Hooper & Pavlik P.L.C.

Saginaw, Michigan
December 18, 2006

This section of the Township of Taymouth's annual financial report presents our discussion of Taymouth Township's financial performance during the fiscal year ended June 30, 2006. Please read it in conjunction with the Township's financial statements.

Overview

The following are the most significant financial highlights for the year ended June 30, 2006. State-shared revenue, the Township's major revenue source for the General Fund, decreased approximately \$50,000 or about 15%. Having anticipated the decrease, the initial budget for fiscal year end 2006 was established at a rate of 10 percent less than the prior year. The Township refrained from any unnecessary purchases and was able to operate well within the adopted budget.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting to measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The Statement of Net Assets and the Statement of Activities distinguish functions of the Township that are primarily supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, and trash pick-up. The business-type activities of the Township include water services.

The Fund financial statements present a short-term view. They tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fund financial statements can be divided into three categories including governmental funds, proprietary funds, and fiduciary funds. The fiduciary fund statements provide information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

The Township as a Whole

For the fiscal year ended June 30, 2006, assets exceeded liabilities by \$5,316,539 compared to \$5,070,090 in the prior year. A large portion of the Township's net assets (53%) reflects its investment in capital assets (i.e. land, buildings, vehicles, equipment and water lines) less any related debt used to acquire those assets that is still outstanding. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities

The Township's total governmental revenues were \$1,122,614. The largest portion of which is from state-shared revenue. The second largest source of revenue is derived from tipping fees. The only operational landfill in Saginaw County is located in the Township. A host agreement between the Township and Waste Management bases these fees on the amount of refuse received at People's Landfill.

The Township incurred governmental expenses of \$933,435 during the year. The largest expenses were for road and bridge maintenance and operation of the fire department. To cover the costs of the Burt Road Bridge, \$18,500 was transferred into the Roads & Bridges Savings account at the end of fiscal year 2005.

Business-type Activities

The Township's business-type activities consist of the Water Fund. Water is provided to approximately 40% of the Township's residents. Water is purchased from the City of Saginaw at a price controlled by the City. The cost is passed to each individual customer.

The City of Saginaw raised the Ready-to Serve cost for water by 254% in fiscal year 2004. The Township is continuing to work with the City to implement an agreement spreading this increase over a 5 year span. Knowing most water customers will be unable to meet the continually rising costs, the Township is working to join a water authority and hopes to be successful in this endeavor before the total increase is realized.

During the year ended June 30, 2004, the Water Fund refunded water bonds Phases I-IV with a total outstanding debt of \$1,565,000 and replaced them with a consolidated bond issuance of \$965,000, lowering the debt for those bonds by \$600,000. During the current year, the Township made payments of \$145,000 to the debt leaving a total outstanding debt of \$1,750,000.

The Township's Funds

Taymouth Township's funds for 2005-2006 are the same as in the prior fiscal year and include the General Fund, Library Fund, Park Fund, Trash Fund and Water Fund. These funds were created by the Township board to manage money for specific purposes as well as to show accountability for assessments collected as part of the property taxes.

The General Fund is the chief operating fund of the Township and pays for most of the Township's governmental services. The most significant expenses are for road and bridge maintenance and replacement having spent just over \$151,300 this fiscal year compared to just over \$325,000 in the prior fiscal year. Roads and bridges are controlled by the Saginaw County Road Commission.

The Trash Fund is a special revenue fund and is a major fund for the year ended June 30, 2006. All expenses for this fund are considered trash collection expense. Revenues for the Trash Fund are derived from assessments.

General Fund Budgetary Highlights

Throughout the year, the Township board made adjustments to the budget. The most significant adjustment was, as noted earlier, to roads and bridges. The Special Assessment for Fire Protection was collected for the second of five years. These monies are placed in a separate account and used exclusively for installment payments to National City Bank for the 2005 American LaFrance engine and 2005 Freightliner rescue squad made by Taylor Made Ambulance.

Capital Asset and Debt Administration

At June 30, 2006, the Township had \$2,832,813 invested in capital assets, including building, land, fire equipment, and water lines, net of related debt compared to \$2,684,364 in the prior year.

The Township has no outstanding debt, other than in the General Fund for the acquisitions of the emergency vehicles, and in the Water Fund.

The following table shows, in a condensed format, the net assets as of June 30, 2006.

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$1,012,347	\$1,552,556	\$2,564,903
Capital assets - net	744,244	4,101,069	4,845,313
Total assets	1,756,591	5,653,625	7,410,216
Current and other liabilities	168,667	160,000	328,667
Noncurrent liabilities	175,000	1,590,000	1,765,000
Total liabilities	343,677	1,750,000	2,093,677
Net assets:			
Invested in capital assets, net of related debt	481,744	2,351,069	2,832,813
Unrestricted	931,170	1,552,556	2,483,726
Total net assets	\$1,412,914	\$3,903,625	\$5,316,539

As a comparison, the following table shows, in a condensed format, the net assets as of June 30, 2005.

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 889,921	\$1,536,193	\$2,426,114
Capital assets - net	374,202	4,205,162	4,579,364
Total assets	1,264,123	5,741,355	7,005,478
Current and other liabilities	40,388	145,000	185,388
Noncurrent liabilities		1,750,000	1,750,000
Total liabilities	40,388	1,895,000	1,935,388
Net assets:			
Invested in capital assets, net of related debt	374,202	2,310,162	2,684,364
Unrestricted	849,533	1,536,193	2,385,726
Total net assets	\$1,223,735	\$3,846,355	\$5,070,090

The following table shows the change in net assets for the year ended June 30, 2006.

	Governmental Activities	Business-type Activities	Total
Revenue			
Program revenue:			
Charges for services	\$ 205,280	\$ 357,116	\$ 562,396
General revenue:			
Property taxes	195,358		195,358
Licenses and permits	58,160		58,160
Intergovernmental	386,967		386,967
Fines and forfeits	21,411		21,411
Interest	186,843		186,843
Other fees	22,272	88,011	110,283
Rent	3,200		3,200
Other	43,123	24,965	68,088
Capital contributions		11,600	11,600
Total revenue	1,122,614	481,692	1,604,306
Program expenses			
Legislative	6,361		6,361
General government	221,321		221,321
Public safety	215,707		215,707
Public works	207,202		207,202
Library	49,900		49,900
Trash collection	146,506		146,506
Park	28,399		28,399
Water		424,422	424,422
Other	58,039		58,039
Total program expenses	933,435	424,422	1,357,857
Change in net assets	189,179	57,270	246,449
Net assets at beginning of year	1,223,735	3,846,355	5,070,090
Net assets at end of year	\$1,412,914	\$3,903,625	\$5,316,539

As a comparison, the following table shows the change in net assets for the year ended June 30, 2005.

	Governmental Activities	Business-type Activities	Total
Revenue			
Program revenue:			
Charges for services	\$ 156,759	\$ 325,101	\$ 481,860
General revenue:			
Property taxes	191,553		191,553
Licenses and permits	55,324		55,324
Intergovernmental	380,756		380,756
Fines and forfeits	26,887		26,887
Interest	11,173	83,649	94,822
Other fees	141,698		141,698
Rent	3,287		3,287
Other	58,356	67,753	126,109
Capital contributions		58,000	58,000
Total revenue	1,025,793	534,503	1,560,296
Program expenses			
Legislative	6,324		6,324
General government	252,661		252,661
Public safety	159,379		159,379
Public works	353,133		353,133
Library	53,784		53,784
Trash collection	156,376		156,376
Park	24,266		24,266
Water		522,465	522,465
Other	86,759		86,759
Total program expenses	1,092,682	522,465	1,615,147
Increase (decrease) in net assets before transfers	(66,889)	12,038	(54,851)
Transfers	62,752		62,752
Change in net assets	(4,137)	12,038	7,901
Net assets at beginning of year	1,227,872	3,834,317	5,062,189
Net assets at end of year	\$1,223,735	\$3,846,355	\$5,070,090

Economic Indicators and Next Year's Budget

Once again, anticipating further cuts in state-shared revenue, the Township has budgeted at a rate approximately 5% less than the prior fiscal year. The same rate decrease was implemented during fiscal year end 2005. Increases were allowed for utility payments for all Township buildings and an energy-saving policy continues to be in use with the hopes of curtailing the effects of inflationary fuel and heating costs.

During fiscal year 2005, the Township worked on a special assessment for fire protection. The special assessment for fire protection began during the past year and will continue for the next three years to cover the purchase of the rescue squad and frontline bumper. The equipment is being financed by National City Bank through an installment loan. Both vehicles are in service.

As stated previously, the water is controlled by the City of Saginaw. We anticipate a significant increase in the cost of water into the foreseeable future. These costs will be passed on to the customers as we continue to seek alternative avenues to keep the costs in check. A major bridge construction project is about to be completed. This bridge will span the Flint River and replaces a historical bridge now located in the Morseville/Burt Road area. Construction is to be finalized before the end of December 2006.

The Township saved thousands of dollars by availing itself of the county work crew consisting of a deputy sheriff and approximately six inmates. The crew maintained properties such as the cemeteries and park on a weekly basis. It is hoped they will be able to return next year.

Contacting the Township's Management

The financial report is intended to provide taxpayers, citizens and investors with a general overview of the Township's finances and the accountability for the money received. If you have any questions about this report or need additional information, please contact the Clerk's office.

Taymouth Township
Saginaw County, Michigan

Statement of Net Assets

June 30, 2006

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 824,881	\$ 560,685	\$1,385,566
Deposit with Saginaw County		4,279	4,279
Accounts receivable	36,750	69,251	106,001
Due from other governmental units	156,955		156,955
Due from (to) other funds	(6,239)	6,239	-
Special assessments receivable		912,102	912,102
Other assets			
Capital assets - net	744,244	4,101,069	4,845,313
Total assets	1,756,591	5,653,625	7,410,216
Liabilities			
Accounts payable	56,717		56,717
Deposits payable	24,460		24,460
Non-current liabilities:			
Due within one year	87,500	160,000	247,500
Due in more than one year	175,000	1,590,000	1,765,000
Total liabilities	343,677	1,750,000	2,093,677
Net assets			
Invested in capital assets, net of related debt	481,744	2,351,069	2,832,813
Unrestricted	931,170	1,552,556	2,483,726
Total net assets	\$1,412,914	\$3,903,625	\$5,316,539

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Statement of Activities

Year ended June 30, 2006

	Expenses	Program	Net (Expense) Revenue and Change in Net Assets		
		Revenues	Governmental	Business-type	Total
Functions/programs:		Charges for	Activities	Activities	
		Services			
Governmental activities:					
Legislative	\$ 6,361		\$ (6,361)		\$ (6,361)
General government	221,321		(221,321)		(221,321)
Public safety	215,707		(215,707)		(215,707)
Public works	207,202		(207,202)		(207,202)
Library	49,900	\$ 32,031	(17,869)		(17,869)
Trash collection	146,506	162,663	16,157		16,157
Park	28,399	9,652	(18,747)		(18,747)
Other	58,039		(58,039)		(58,039)
Other financing sources (uses):					
Insurance recovery and dividend		935	935		935
Total governmental activities and other financial services	933,435	205,281	(728,154)		(728,154)
Business-type activities:					
Water	424,422	357,116		\$ (67,306)	(67,306)
Total business-type activities	424,422	357,116		(67,306)	(67,306)
Total government	\$1,357,857	\$562,397	(728,154)	(67,306)	(795,460)
General revenue:					
Property taxes, levied for general operations			195,358		195,358
Licenses and permits			58,160		58,160
Intergovernmental			386,967		386,967
Fines and forfeits			21,411		21,411
Services			186,843		186,843
Interest			22,271	88,011	110,282
Rent			3,200		3,200
Other			43,123	24,965	68,088
Transfers					-
Capital contributions				11,600	11,600
Total general revenue, transfers, and capital contributions			917,333	124,576	1,041,909
Change in net assets			189,179	57,270	246,449
Net assets at beginning of year			1,223,735	3,846,355	5,070,090
Net assets at end of year			\$1,412,914	\$3,903,625	\$5,316,539

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Balance Sheet
Governmental Funds

June 30, 2006

	General	Trash Fund	Non-major Governmental Funds	Total Governmental Funds
Assets				
Cash	\$713,251	\$95,213	\$16,417	\$ 824,881
Accounts receivable	36,750			36,750
Due from other governmental units	156,955			156,955
Due from other funds	4,521			4,521
Total assets	<u>\$911,477</u>	<u>\$95,213</u>	<u>\$16,417</u>	<u>\$1,023,107</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 44,780	\$11,935	\$ 2	\$ 56,717
Deposits payable	23,460		1,000	24,460
Due to other funds			10,760	10,760
Total liabilities	<u>68,240</u>	<u>11,935</u>	<u>11,762</u>	<u>91,937</u>
Fund balances:				
Unreserved				
General fund	843,237			843,237
Special revenue		83,278	4,655	87,933
Total fund balances	<u>843,237</u>	<u>83,278</u>	<u>4,655</u>	<u>931,170</u>
Total liabilities and fund balances	<u>\$911,477</u>	<u>\$95,213</u>	<u>\$16,417</u>	<u>\$1,023,107</u>

Total governmental fund balances \$ 931,170

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
The cost of capital assets is	2,255,680
Accumulated depreciation is	(1,511,436)
Notes payable are not due and payable in the current period and are not reported in the funds	(262,500)
Net assets of governmental activities	<u>\$1,412,914</u>

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2006

	General	Trash Fund	Non-major Governmental Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 195,358	\$161,039		\$ 356,397
Licenses and permits	58,160			58,160
Intergovernmental	386,967		\$ 3,675	390,642
Fines and forfeits	21,411		18,653	40,064
Charges for services	186,843			186,843
Interest	22,271	1,624	33	23,928
Rent	3,200		3,295	6,495
Other	43,123		16,027	59,150
Total revenues	917,333	162,663	41,683	1,121,679
Expenditures				
Legislative	6,361			6,361
General government	196,715			196,715
Public safety	150,799			150,799
Public works	202,418	146,506		348,924
Recreation			71,966	71,966
Capital outlay	455,771		5,000	460,771
Other	58,039			58,039
Total expenditures	1,070,103	146,506	76,966	1,293,575
Excess of revenues over (under) expenditures	(152,770)	16,157	(35,283)	(171,896)
Other financing sources (uses)				
Insurance recovery and dividend	935			935
Proceeds from note payable	350,000			350,000
Fire truck installment loan	(97,402)			(97,402)
Operating transfers in (out)	(35,606)		35,606	-
Total other financing sources (uses)	217,927	-	35,606	253,533
Excess of revenue and other financing sources over expenditures and other financing uses	65,157	16,157	323	81,637
Fund balances at beginning of year	778,080	67,121	4,332	849,533
Fund balances at end of year	\$ 843,237	\$ 83,278	\$ 4,655	\$ 931,170

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities

Year ended June 30, 2006

Net change in fund balances - total governmental funds	\$ 81,637
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation and, for disposals of capital assets in 2006, as a loss on disposal.	370,042
Governmental funds report proceeds from financing as current financial resources, but the issuance of debt increases long-term liabilities in the statement of net assets.	(350,000)
Repayment of the principal portion of notes payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.	<u>87,500</u>
Net change in net assets - government-wide statement of activities	<u><u>\$ 189,179</u></u>

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Statement of Net Assets
Proprietary Fund

June 30, 2006

	Proprietary Fund Type
	Water Fund
Assets	
Current assets:	
Cash	\$ 560,685
Deposit with Saginaw County	4,279
Accounts receivable	69,251
Total current assets	634,215
Special assessments receivable	912,102
Due from other funds	6,239
Capital assets, net of accumulated depreciation	4,101,069
Total assets	5,653,625
Liabilities	
Current liabilities:	
Current portion of long-term debt	160,000
Total current liabilities	160,000
Non-current liabilities:	
Bonds payable	1,590,000
Total liabilities	1,750,000
Net assets:	
Invested in capital assets, net of related debt	2,351,069
Unrestricted	1,552,556
Total net assets	\$3,903,625

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund

Year ended June 30, 2006

Operating revenue

Charges for water services	\$ 350,351
Connection fees and meter charges	6,765
Other	24,965
Total operating revenue	<u>382,081</u>

Operating expenses

Labor	44,385
Payroll taxes	3,963
Benefits	6,300
Cost of water	125,598
Operations and maintenance	11,360
Water line tap in expenses	5,006
County administrative fee	1,980
Depreciation	104,093
Supplies	5,385
Administrative expenses	4,430
Professional fees	2,322
Bond amortization	1,166
Other	11,601
Total operating expenses	<u>327,589</u>
Operating income	54,492

Nonoperating revenue (expenses)

Interest earned	88,011
Interest expense and paying agent fees	(96,833)
Total nonoperating revenue (expenses)	<u>(8,822)</u>
Income before operating transfers and capital contributions	45,670

Capital contributions	11,600
Change in net assets	<u>57,270</u>

Net assets at beginning of year	3,846,355
Net assets at end of year	<u><u>\$3,903,625</u></u>

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2006

Cash flows from operating activities

Receipts from customers and others	\$ 495,555
Payments to suppliers and employees	(222,330)
Net cash provided by operating activities	<u>273,225</u>

Cash flows from capital and related financing activities

Principal paid on bonds	(145,000)
Contributed capital	11,600
Interest and agent fees paid on bonds payable	(96,833)
Net cash used by capital and related financing activities	<u>(230,233)</u>

Cash flows from investing activities

Interest revenue	<u>88,011</u>
Net increase in cash	131,003
Cash at beginning of year	433,961
Cash at end of year	<u><u>\$ 564,964</u></u>

Cash reported on balance sheet

Cash	\$ 560,685
Deposit with Saginaw County	4,279
Total cash reported on statement of cash flows	<u><u>\$ 564,964</u></u>

Reconciliation of operating loss to net cash provided by operating activities

Operating income	\$ 54,492
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	104,093
Operating transfers	-
Decrease (increase) in assets:	
Accounts receivable	(1,747)
Special assessments receivable	121,460
Due from other funds	(6,239)
Bond discount	1,166
Decrease in liabilities:	
Accounts payable	-
Net cash provided by operating activities	<u><u>\$273,225</u></u>

See accompanying notes.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements

June 30, 2006

1. Summary of Significant Accounting Policies

Taymouth Township, Saginaw County, Michigan (Township) complies with accounting principles generally accepted in the United States of America. The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, to the extent that those pronouncements do not conflict with or contradict GASB pronouncements. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

Reporting Entity

Taymouth Township, Saginaw County, Michigan was organized in 1842 and covers an area of approximately thirty-six square miles. The Township operates under an elected Township Board (five members) and provides services to its various residents in many areas, including health and sanitation, community enrichment and development and human services. In evaluating how to define the Township, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP), currently GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*.

Based upon the application of these criteria, the financial statements of Taymouth Township, Saginaw County, Michigan contain all the funds and account groups controlled by the Township's Board as no other entity meets the criteria to be considered a blended component unit or a discretely presented component unit of the Township.

Basic Financial Statements – Government-Wide Statements

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Fiduciary funds, such as the Tax Collections Fund, are excluded from government-wide financial statements, although the Township's Tax Collections Fund had no assets or liabilities as of June 30, 2006.

In the government-wide statement of net assets, the activities are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net assets are reported in two parts: invested in capital assets, net of related debt and unrestricted net assets.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Basic Financial Statements – Government-Wide Statements (continued)

The government-wide statement of activities demonstrates the degree to which the direct expenses (including depreciation) of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

In creating the government-wide financial statements, the Township has eliminated interfund transactions. This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net assets resulting from the current year's activities.

Basic Financial Statements – Fund Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Township's proprietary funds relate to charges to customers for services. The water fund also recognizes the portion of tapping fees intended to recover current costs (e.g., labor and materials to connect new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The Township reports the following major governmental funds:

General Fund

The General Fund is used to account for all financial transactions not accounted for in other funds, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants and other intergovernmental revenues.

Trash Fund

The Trash Fund is a special revenue fund that is used to record the activity of the Township's trash collection activities.

The Township reports the following major proprietary fund:

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Water Fund

The Water Fund is used to account for operations that provide water services to citizens, and is financed primarily by user charges or activities where the periodic measurement of net income is appropriate for capital maintenance, public policy, management control or accountability.

Additionally, the Township reports the following fund types:

Agency Fund – Current Tax Collections Fund

The Current Tax Collections Fund is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Current Tax Collections Fund is used to account for taxes collected as an agent for other governmental units.

Assets, Liabilities, and Equity

Deposits and Investments

The Township's cash consists of cash on hand and checking and savings accounts.

State statutes authorize the Township to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township is also authorized to invest in investment pools managed by qualified financial institutions.

Accounts Receivable

The Township considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be charged to operations in the period of uncollectibility.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Equity (continued)

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are stated at cost or, if donated, at estimated fair market value at the time of donation. Expenditures that materially extend the life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of fixed assets is reflected in the capitalized value of the asset constructed.

Depreciation has been provided over the estimated useful lives of the capital assets using the straight-line method. The estimated useful lives are as follows:

Water system	50 – 70 years
Buildings	30 – 50 years
Land improvements	15 – 20 years
Equipment	5 – 10 years
Vehicles	3 – 8 years

Total depreciation expense for the Township for the year ended June 30, 2006 was \$104,093 for business-type activities (Water Fund) and \$83,782 for governmental activities.

Compensated Absences

No accrual has been recorded for unpaid sick and vacation time since the amount is immaterial to the financial statements of the Township at June 30, 2006.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Equity (continued)

Fund Equity

Designations of unreserved fund balances in Governmental Funds indicate tentative plans for use of financial resources in a future period. Unreserved fund balances for Governmental Funds represent the amount available for budgeting future operations.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Budgets and Budgetary Policies

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. The Township does not maintain a formalized encumbrance accounting system.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the General Fund budget is adopted by activity. In the special revenue funds, budgets are adopted at the functional level.
2. A public hearing is conducted at a budget hearing to obtain citizens' comments.
3. Prior to July 1, the budget is legally adopted by a Township Board resolution pursuant to the uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, or in excess of the amount appropriated.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Policies (continued)

4. Any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for all funds except the Tax Collections Fund, which is an agency fund.
6. The budget, as presented, has been amended. Supplemental appropriations were made during the year with the last one approved prior to June 30, 2006.

2. Cash and Cash Equivalents – Credit Risk

At June 30, 2006, the Township's deposits were reported in the financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>
Cash and cash equivalents	<u>\$824,881</u>	<u>\$560,685</u>	<u>\$1,385,566</u>

At June 30, 2006, the book value of the Township's deposits, consisting primarily of interest-bearing savings, and checking accounts was \$1,385,566 and the bank balances were \$1,352,170. Of the bank balances, \$338,516 was covered by Federal depository insurance and \$1,013,655 was uninsured and uncollateralized; therefore, subjecting the Township to custodian credit risk. Custodian credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. There were no cash equivalents as of June 30, 2006.

The Township places its deposits with high quality financial institutions. Although such deposits exceed federally insured limits, they are in the opinion of the Township subject to minimal risk.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

3. Capital Assets

Capital asset activity of the Township's governmental activities for the year ended June 30, 2006 was as follows:

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 102,909			\$ 102,909
Capital assets being depreciated:				
Land improvements	187,716			187,716
Buildings	505,085		\$ 5,066	500,019
Equipment	1,053,215	\$455,192	43,370	1,465,037
Subtotal	<u>1,746,016</u>	<u>455,192</u>	<u>48,436</u>	<u>2,152,772</u>
Less accumulated depreciation for:				
Land improvements	167,464	1,256		168,720
Buildings	392,420	77,393	3,698	466,115
Equipment	914,839	5,133	43,370	876,602
Subtotal	<u>1,474,723</u>	<u>83,782</u>	<u>47,068</u>	<u>1,511,437</u>
Net capital assets being depreciated	<u>271,293</u>	<u>371,410</u>	<u>1,368</u>	<u>641,335</u>
Governmental activities capital assets – net	<u><u>\$ 374,202</u></u>	<u><u>\$371,410</u></u>	<u><u>\$ 1,368</u></u>	<u><u>\$ 744,244</u></u>

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

3. Capital Assets (continued)

Capital asset activity of the Township's business-type activities for the year ended June 30, 2006 was as follows:

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
<u>Business-type Activities</u>				
Capital assets being depreciated:				
Water system	\$5,286,986			\$5,286,986
Vehicles	20,682			20,682
Subtotal	5,307,668			5,307,668
Less accumulated depreciation for:				
Water system	1,081,824	\$ 104,093		1,185,917
Vehicles	20,682			20,682
Subtotal	1,102,506	104,093		1,206,599
Net capital assets being depreciated	4,205,162	(104,093)		4,101,069
Business-type activities capital assets – net	<u>\$4,205,162</u>	<u>\$(104,093)</u>	<u>–</u>	<u>\$4,101,069</u>

Depreciation expense was charged to activities as follows:

Governmental activities:	
General government	\$ 7,908
Public safety	64,908
Public works	6,001
Library	148
Park	4,817
Total governmental activities depreciation expense	<u>\$ 83,782</u>
Business-type activities:	
Water	<u>\$104,093</u>

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

4. Property Taxes

The Township bills and collects its own taxes and taxes on behalf of Saginaw County and the school districts within the Township boundaries. Property taxes are levied and become a lien on each December 1 on the taxable valuation of property located in Taymouth Township as of the preceding December 31 and are due without penalty on or before February 28. The taxable assessed value of the certified roll on December 31, 2005, upon which the levy for the 2006 fiscal year was based, was \$84,007,729. The collection of property taxes and remittance to the proper authority are accounted for in the Current Tax Collections Fund. Property tax revenue levied in December is recognized as revenue for the year ended June 30, 2006.

The tax rate assessed for the year ending June 30, 2006 to finance General Fund operations was \$.8949 per \$1,000 valuation.

5. Risk Management

The Township is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, injuries to employees and natural disasters. The Township carries commercial insurance for risks to cover these losses. The Township also continues to carry commercial insurance for other risks of loss, including accident insurance.

6. Long-Term Debt

Governmental activities:

Long-term debt consists of notes payable, recorded as an expenditure within the general fund. At June 30, 2006, this debt consisted of the following:

\$350,000 note payable dated July 13, 2005, due in annual installments of \$97,402 to \$90,563 through May 1, 2009, bearing an interest rate of 3.55%	\$262,500
Total note payable	<u>\$262,500</u>

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

6. Long-Term Debt (continued)

Business-type activities:

Long-term debt consists of general obligation bonds payable, recorded as a business-type activity within the Water Fund. At June 30, 2006, this debt consisted of the following:

\$950,000 bonds dated October 1, 1999, due in annual installments of \$10,000 to \$100,000 through May 1, 2019, bearing interest rates of 5.20% to 7.20% (Phase V)	\$ 855,000
\$190,000 bonds dated August 1, 2001, due in annual installments of \$5,000 to \$10,000 through May 1, 2021, bearing interest rates of 4.30% to 5.10% (Phase VI)	150,000
\$965,000 bonds dated April 28, 2005, due in annual installments of \$5,000 to \$135,000 through June 1, 2015, bearing an interest rate of 3.55%	745,000
Total bonds payable	<u>\$1,750,000</u>

A summary of changes in debt follows:

	<u>Balance July 1, 2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2006</u>
Governmental activities:				
Note payable	—	\$350,000	\$ 97,402	\$ 252,598
Business-type activities:				
Phase V	\$ 880,000		\$ 25,000	\$ 855,000
Phase VI	160,000		10,000	150,000
Refunding	855,000		110,000	745,000
Total business-type activities	<u>\$1,895,000</u>	<u>—</u>	<u>\$145,000</u>	<u>\$1,750,000</u>

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

6. Long-Term Debt (continued)

Annual aggregate maturities for governmental activities (General Fund) for the years subsequent to June 30, 2006 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 87,500	\$ 9,188
2008	87,500	6,125
2009	87,500	3,063
Total	<u>\$262,500</u>	<u>\$18,376</u>

Annual aggregate maturities for business-type activities (Water Fund) for the years subsequent to June 30, 2006 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 160,000	\$ 78,656
2008	180,000	71,269
2009	180,000	63,615
2010	175,000	55,779
2011	160,000	48,626
2012-2016	545,000	163,966
2017-2021	350,000	38,790
Total	<u>\$1,750,000</u>	<u>\$520,701</u>

Total interest expense for the Township for the year ended June 30, 2006 was \$119,105 and \$146,508 for June 30, 2005. The portion of this amount attributable to governmental activities was \$22,272 for 2006 and -0- for 2005. The balance was attributable to business-type activities.

7. Excess of Expenditures Over Appropriations in Budgetary Funds

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted at the activity and line item levels.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

7. Excess of Expenditures Over Appropriations in Budgetary Funds (continued)

During the year ended June 30, 2006, the Township did not incur any expenditures in excess of the amounts appropriated, except as noted below:

	Final Budget	Actual	Variance
General Fund – Township Board	\$ 6,209	\$ 6,361	\$ (152)
General Fund – Supervisor	21,277	21,629	(352)
General Fund – D.P.W.	167,302	202,418	(35,116)
General Fund – Other	5,364	12,505	(7,141)

8. Segment Information for Proprietary Fund

The Township maintains one Proprietary Fund which provides water services. Segment information for the year ended June 30, 2006 for the Water Fund was as follows:

Operating revenue	\$ 382,081
Depreciation	104,093
Operating income	54,492
Capital contributions	11,600
Change in net assets	57,270
Net working capital	489,215
Total assets	5,653,625
Bonds payable	1,750,000
Total equity	3,903,625

9. Building Inspection Department

P. A. 245 of 1999 allows local units to continue to account for enforcing agency activities within the general fund as long as the local unit's fee structure is not intended to recover the full cost of the enforcing agency and the local unit has the ability to track the full costs and revenues of this activity without creating a separate fund.

Taymouth Township
Saginaw County, Michigan

Notes to Financial Statements (continued)

9. Building Inspection Department (continued)

During the fiscal year ended June 30, 2006, the enforcing agency collected the following fees and incurred the following expenditures:

Revenues	
Charges for services	\$57,715
Expenditures	
Wages	45,990
Payroll taxes	4,222
Education and training	976
Supplies	232
Travel	119
Membership/dues expense	111
Telephone	493
Legal	802
Engineering	2,344
	<hr/>
	55,289
	<hr/>
Net revenue	<u>\$ 2,426</u>

10. Retirement Plan

The Township has a deferred compensation plan that was established by the Michigan Township Association. The plan is administered by ING and covers substantially all full and part-time employees. The employer matches dollar for dollar of employee contributions up to \$300. For the year ended June 30, 2006, employee contributions were \$16,697 and employer contributions were \$6,600. Benefits attributable to employee and employer contributions are 100% vested.

Required Supplemental Information

Taymouth Township
Saginaw County, Michigan

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Current tax levy	\$ 80,592	\$ 80,063	\$ 81,330	\$ 1,267
Property tax administration fees	29,607	28,339	28,339	-
Fire assessment	-	-	85,689	85,689
Total taxes	110,199	108,402	195,358	86,956
Licenses and permits:				
Building permits	35,000	36,099	50,658	14,559
Trailer fees	2,000	2,292	2,292	-
Land division application fee	500	300	300	-
Dog license	40	60	60	-
Planning and zoning	2,775	3,860	4,465	605
Liquor license fee	385	385	385	-
Total licenses and permits	40,700	42,996	58,160	15,164
Intergovernmental:				
State sales tax	327,411	321,474	372,768	51,294
State income tax	-	3,443	3,443	-
Metro fees	5,300	10,756	10,756	-
State refund	5,490	-	-	-
Total intergovernmental	338,201	335,673	386,967	51,294
Fines and forfeits	2,000	21,411	21,411	-
Charges for services:				
Security guard	500	150	150	-
Host agreement	147,192	167,454	166,418	(1,036)
Sale of cemetery lots	8,000	8,600	8,600	-
Grave openings/closings	5,000	11,657	11,675	18
Total charges for services	160,692	187,861	186,843	(1,018)
Interest	8,250	21,545	22,271	726
Rent	5,750	5,750	3,200	(2,550)
Other	36,050	19,610	43,123	23,513
Total revenues	701,842	743,248	917,333	174,085
Expenditures (Schedule of General Fund Expenditures)	1,128,405	1,084,642	1,070,103	14,539
Excess of revenues over (under) expenditures	(426,563)	(341,394)	(152,770)	188,624
Other financing sources (uses)				
Insurance recovery and dividend	1,500	935	935	-
Proceeds from note payable	350,000	350,000	350,000	-
Payments on fire truck installment loan	-	(97,402)	(97,402)	-
Operating transfers in (out)	(52,843)	(45,843)	(35,606)	10,237
Total other financing sources (uses)	298,657	207,690	217,927	10,237
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(127,906)	(133,704)	65,157	198,861
Fund balance at beginning of year	778,080	778,080	778,080	-
Fund balance at end of year	\$ 650,174	\$ 644,376	\$ 843,237	\$198,861

Taymouth Township
Saginaw County, Michigan

General Fund
Schedule of General Fund Expenditures

Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Legislative:				
Township Board	\$ 7,150	\$ 6,209	\$ 6,361	\$ (152)
General government:				
Supervisor	21,913	21,277	21,629	(352)
General service	67,961	56,970	56,840	130
Clerk	29,785	28,901	28,901	-
Elections	4,225	1,624	1,357	267
Assessor	32,593	28,811	28,574	237
Treasurer	26,975	25,572	25,452	120
Board of Review				-
Community center	15,755	9,252	9,210	42
Cemeteries	18,833	18,624	18,624	-
Environmental committee				-
Opera house	7,443	6,133	6,128	5
Total general government	225,483	197,164	196,715	449
Public safety:				
Fire department	110,010	103,889	78,658	25,231
Central dispatch	1,800	-	-	-
Inspection department	77,020	72,141	72,141	-
Total public safety	188,830	176,030	150,799	25,231
Public works:				
Department of Public Works	188,350	167,302	202,418	(35,116)
Capital outlay:				
General government	2,000	292	292	-
Public safety	25,000	25,231	25,231	-
Public works	3,000	287	287	-
Equipment	438,542	461,229	429,961	31,268
Total capital outlay	468,542	487,039	455,771	31,268
Other:				
Workers compensation	8,000	8,864	8,864	-
Fire department cost recovery	1,500	-	-	-
Trailer park fees	2,000	1,593	1,593	-
Insurance	31,100	35,077	35,077	-
Miscellaneous	7,450	5,364	12,505	(7,141)
Total other	50,050	50,898	58,039	(7,141)
Total expenditures	\$1,128,405	\$1,084,642	\$1,070,103	\$ 14,539

Taymouth Township
Saginaw County, Michigan

Trash Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$160,265	\$161,039	\$161,039	-
Interest	500	1,610	1,624	14
Total revenues	160,765	162,649	162,663	14
Expenditures				
Public works:				
Garbage collection	156,851	156,421	146,506	9,915
Capital outlay				-
Total expenditures	156,851	156,421	146,506	9,915
Excess of revenues over expenditures	3,914	6,228	16,157	9,929
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Excess of revenues and other financing sources over expenditures and other financing uses	3,914	6,228	16,157	9,929
Fund balance at beginning of year	67,121	67,121	67,121	0
Fund balance at end of year	\$ 71,035	\$ 73,349	\$ 83,278	\$9,929

Other Supplemental Information

Taymouth Township
Saginaw County, Michigan

Special Revenue Funds
Combining Balance Sheet

June 30, 2006

	Library	Trash	Park	Total
Assets				
Cash	\$4,573	\$95,213	\$11,844	\$111,630
Total assets	<u>\$4,573</u>	<u>\$95,213</u>	<u>\$11,844</u>	<u>\$111,630</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable		\$11,935	\$ 2	\$11,937
Deposits payable			1,000	1,000
Due to other funds	\$2,921		7,839	10,760
Total liabilities	<u>2,921</u>	<u>11,935</u>	<u>8,841</u>	<u>23,697</u>
Fund balance:				
Unreserved	1,652	83,278	3,003	87,933
Total fund balances	<u>1,652</u>	<u>83,278</u>	<u>3,003</u>	<u>87,933</u>
Total liabilities and fund balances	<u>\$4,573</u>	<u>\$95,213</u>	<u>\$11,844</u>	<u>\$111,630</u>

Taymouth Township
Saginaw County, Michigan

Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Year ended June 30, 2006

	Library	Trash	Park	Total
Revenues				
Taxes		\$161,039		\$161,039
Intergovernmental	\$ 3,675			3,675
Fines and forfeits	18,653			18,653
Interest		1,624	\$ 33	1,657
Rents	1,725		1,570	3,295
Other	7,978		8,049	16,027
Total revenues	32,031	162,663	9,652	204,346
Expenditures				
Public works:				
Trash collection		146,506		146,506
Recreation and cultural:				
Parks			16,029	16,029
Library	55,937			55,937
Capital outlay			5,000	5,000
Total expenditures	55,937	146,506	21,029	223,472
Excess of revenues over (under) expenditures	(23,906)	16,157	(11,377)	(19,126)
Other financing sources (uses)				
Operating transfers in	24,606		11,000	35,606
Excess of revenues and other financing sources over (under) expenditures and other financing uses	700	16,157	(377)	16,480
Fund balances at beginning of year	951	67,121	3,381	71,453
Fund balances at end of year	\$ 1,651	\$ 83,278	\$ 3,004	\$ 87,933

Taymouth Township
Saginaw County, Michigan

Statement of Changes in Assets and Liabilities
Current Tax Collections Fund

Year ended June 30, 2006

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	-	\$ 1,957,124	\$ 1,957,124	-
Total assets	-	\$ 1,957,124	\$ 1,957,124	-
Liabilities				
Due to other funds	-	\$ 383,987	\$ 383,987	-
Due to other taxing units	-	1,573,137	1,573,137	-
Total liabilities	-	\$ 1,957,124	\$ 1,957,124	-

Taymouth Township
Saginaw County, Michigan

Detail of Indebtedness

June 30, 2006

Name of Issue	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	Amount of Annual Maturity June 30, 2006	Amount of Annual Maturity June 30, 2007	Annual Interest Payment
Phase V	October 1, 1999	\$950,000	7.20%	5/1/2006	\$ 25,000		
			7.20%	5/1/2007	35,000	\$ 35,000	\$ 47,220
			7.20%	5/1/2008	35,000	35,000	44,700
			7.20%	5/1/2009	40,000	40,000	42,180
			6.60%	5/1/2010	40,000	40,000	39,300
			5.20%	5/1/2011	45,000	45,000	36,660
			5.20%	5/1/2012	50,000	50,000	34,320
			5.20%	5/1/2013	55,000	55,000	31,720
			5.20%	5/1/2014	75,000	75,000	28,860
			5.20%	5/1/2015	85,000	85,000	24,960
			5.20%	5/1/2016	95,000	95,000	20,540
			5.20%	5/1/2017	100,000	100,000	15,600
			5.20%	5/1/2018	100,000	100,000	10,400
			5.20%	5/1/2019	100,000	100,000	5,200
					<u>\$880,000</u>	<u>\$855,000</u>	<u>\$381,660</u>

Taymouth Township
Saginaw County, Michigan
Detail of Indebtedness (continued)
June 30, 2006

Name of Issue	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	Amount of	Amount of	Annual
					Annual Maturity June 30, 2006	Annual Maturity June 30, 2007	Interest Payment
Phase VI	August 1, 2001	\$190,000	4.30%	5/1/2006	\$ 10,000		
			4.30%	5/1/2007	10,000	\$ 10,000	\$ 7,030
			4.30%	5/1/2008	10,000	10,000	6,600
			4.30%	5/1/2009	10,000	10,000	6,170
			4.30%	5/1/2010	10,000	10,000	5,740
			4.40%	5/1/2011	10,000	10,000	5,310
			4.50%	5/1/2012	10,000	10,000	4,870
			4.60%	5/1/2013	10,000	10,000	4,420
			4.70%	5/1/2014	10,000	10,000	3,960
			4.80%	5/1/2015	10,000	10,000	3,490
			4.90%	5/1/2016	10,000	10,000	3,010
			5.00%	5/1/2017	10,000	10,000	2,520
			5.00%	5/1/2018	10,000	10,000	2,020
			5.00%	5/1/2019	10,000	10,000	1,520
			5.10%	5/1/2020	10,000	10,000	1,020
			5.10%	5/1/2021	10,000	10,000	510
					\$160,000	\$150,000	\$58,190

Taymouth Township
Saginaw County, Michigan
Detail of Indebtedness (continued)
June 30, 2006

Name of Issue	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	Amount of Annual Maturity June 30, 2006	Amount of Annual Maturity June 30, 2007	Annual Interest Payment
Refunding bonds Phases I-IV	April 28, 2004	\$965,000	3.55%	6/1/2006	\$110,000		
			3.55%	6/1/2007	115,000	\$115,000	\$24,406
			3.55%	6/1/2008	135,000	135,000	19,969
			3.55%	6/1/2009	130,000	130,000	15,265
			3.55%	6/1/2010	125,000	125,000	10,739
			3.55%	6/1/2011	105,000	105,000	6,656
			3.55%	6/1/2012	110,000	110,000	2,840
			3.55%	6/1/2013	15,000	15,000	621
			3.55%	6/1/2014	5,000	5,000	266
			3.55%	6/1/2015	5,000	5,000	89
					\$855,000	\$745,000	\$80,851